

NOT FOR PUBLICATION

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA**

In re: )  
JASPAL DEOL ) Case No. 18-23885-C-7  
Debtor. )  
Adv. Pro. 18-02155  
PRABHAKAR GOEL, GOEL FAMILY )  
VENTURES I LP, a Limited )  
Partnership, and ECONERGY, INC., )  
a California Corporation, )  
Plaintiffs, )  
v. )  
JASPAL DEOL, )  
Defendant. )

MEMORANDUM

In this cross-border US-India arbitration dispute the defense counsel captured its essence with his assertion that: "At its core, this case was nothing more than a breach of contract dispute gone wild." The problem is that defendant is the one who "went wild" and dug his own grave.

The applicable California rules of issue preclusion doom the defendant regarding exception to discharge under 11 U.S.C. §§ 523(a)(2) and 523(a)(4). Independent evidence dooms the defendant to exception to discharge under 11 U.S.C. § 523(a)(6).

The Dispute

The dispute between Jaspal Deol on the one hand and Prabhakar Goel and Goel Family Ventures I LP ("GFV") on the other hand involved Loan and Co-Development Agreements for a solar power plant project by their corporation Econergy, Inc., near the

1 village of Boparai Kalan, District of Ludhiana, State of Punjab,  
2 India.

3 Deol and Goel are California residents, and GFV is a  
4 California entity. The agreements were negotiated and executed in  
5 California, with an express California choice of law provision.  
6 The agreements were construed as a single contract in JAMS  
7 Arbitration Case No. 1110016365. The loans and financing occurred  
8 primarily in California. Project construction and performance  
9 occurred in India.

10 Pursuant to the agreements, GFV obtained 49% of the shares  
11 of Econergy, Inc. Deol retained 51% of the shares. Both Deol and  
12 Goel were Directors of Econergy.

13 During construction, both Deol and Goel were involved in on-  
14 site supervision and both traveled between California and Punjab  
15 on multiple occasions.

16 Deol was in control of the solar power project when it was  
17 completed and producing power into the electric grid.

18 At some point, Deol, in effect, froze Goel out, even though  
19 Goel was a Director of the corporation and had funded a  
20 substantial portion of the construction. Deol rejected GFV's  
21 exercise of an option to purchase one-half of the project real  
22 estate.

23 Among other things: Deol without notice to Goel replaced the  
24 accountant for the joint project with an accountant answerable  
25 only to Deol; did not distribute to Goel, or account to Goel for,  
26 project revenues; without notice to Goel filed tax returns for  
27 Econergy in California and in India claiming he was the sole  
28 owner of the project; and transferred Econergy revenues to

1 himself.

3 Procedure

4 Goel demanded arbitration. Deol counterclaimed. Initial  
5 proceedings pursuant to JAMS Comprehensive Arbitration Rules  
6 occurred over eleven days in 2016.

7 The JAMS Arbitrator was a seasoned California jurist, Hon.  
8 Robert A. Baines, Retired Judge of the Superior Court. The  
9 arbitration decision, which comprises 88 single-spaced pages,  
10 bears the indicia of a conventional, fully-litigated lawsuit in a  
11 bench trial in which the arbitrator applied basic California law  
12 with explanations for each ruling.

13 The JAMS arbitration decision in favor of Goel for monetary  
14 relief of \$1,466,564, together with injunctive relief, and  
15 monetary relief in favor the Defendant of \$787,648, was confirmed  
16 by the Santa Clara County California Superior Court.

17 On Deol's appeal, the California Sixth District Court of  
18 Appeal affirmed with an agreed modification reducing the Goel  
19 parties' award by \$352,309 on a theory of double counting.

20 The California Supreme Court denied Deol's Petition for  
21 Review.

22 JAMS Arbitration Case No. 1110016365 was resolved by a  
23 series of awards:

24 Partial Final Award. 6/21/2017.  
25 Order Enjoining Actions Undertaken by Jaspal Singh Deol in  
26 Violation of Orders Issued in this Proceeding. 8/16/2017.  
27 Further Partial Final Award Determining Value of Jaspal  
28 Deol's Interest in Econergy, Inc., and Value of Ludhiana  
Land. 2/20/2018.  
Further Injunctive Orders Directed to Jaspal Singh Deol.  
2/20/2018.  
Further Injunctive Orders Directed to Jaspal Singh Deol.  
2/20/2018. [second order of same date]

1 Further Partial Final Award. 4/30/2018.  
2 Order on Attorneys' Fees, Costs, and Interest on  
3 Distributions. 11/16/2018.  
4 Final Award. 11/16/2018.

5 The JAMS arbitrator noted at the end of the April 30, 2018,  
6 Further Partial Final Award, "As of the writing of this Further  
7 Partial Award, Deol has not fully complied with the above-  
8 described orders. Enforcement through the courts appears needed."  
9 Further Partial Award at 65.

10 Deol filed a chapter 13 case in this Court on June 20, 2018.  
11 This Court by order entered October 31, 2018, granted Goel's  
12 motion for relief from the automatic stay to permit completion of  
13 the JAMS arbitration as to which fees, costs, and interest were  
14 not yet resolved.

15 Following the grant of stay relief, the JAMS Arbitrator  
16 entered his determination of fees, costs, and interest and his  
17 Final Award November 16, 2018. The award of reasonable attorneys  
18 fees was \$985,788.72. Costs totaled \$232,869.66. The Final Award  
19 also included injunctive relief.

20 The Santa Clara County Superior Court confirmed the JAMS  
21 Final Arbitration Award on January 10, 2019. Deol appealed.

22 The Sixth District Court of Appeal affirmed in a 28-page  
23 opinion filed February 10, 2022. Deol petitioned for Supreme  
24 Court review.

25 The California Supreme denied Deol's Petition For Review on  
26 May 11, 2022.

27 The Deol bankruptcy case was converted from chapter 13 to  
28 chapter 11 by order entered June 21, 2019. After three years of  
protracted but fruitless mediation, a chapter 11 trustee was  
appointed November 2, 2022, thereby ousting Deol from Debtor in

1 Possession status.

2 The case was converted to chapter 7 at the recommendation of  
3 the chapter 11 trustee effective December 15, 2023.

4  
5 Adversary Proceeding

6 In the bankruptcy case, Prabhakar Goel, Goel Family Ventures  
7 I LP, and Econergy, Inc. filed a Complaint commencing adversary  
8 proceeding 2018-02155 on October 1, 2018. In addition to  
9 requesting declarations that the then-incomplete JAMS Arbitration  
10 rulings are binding on Deol, the Complaint alleged Deol's debts  
11 to them are excepted from discharge on three counts: 11 U.S.C.  
12 §§ 523(a)(2) for Actual Fraud; § 523(a)(4) Defalcation in a  
13 fiduciary Capacity; and § 523(a)(4) Embezzlement and Larceny.

14 The evidentiary phase of the trial occurred October 24-25,  
15 2019. At the close of the plaintiff's evidence, a fourth count  
16 under § 523(a)(6) Willful and Malicious Injury was added to  
17 conform to evidence on a theory of implied consent pursuant to  
18 Civil Rule 15(b)(2). Fed. R. Civ. P. 15(b)(2), incorporated by  
19 Fed. R. Bankr. P. 7015.

20 The parties subsequently presented their closing arguments  
21 in writing. (Dkts. 52, 54 & 57). They also have filed Proposed  
22 Findings of Fact and Conclusions of Law. (Dkts. 198 & 200).

23 The parties requested that this Court defer decision pending  
24 completion of contested arbitration confirmation proceedings in  
25 state court, which completion did not occur until the California  
26 Supreme Court denied a Petition to Review the order of the Sixth  
27 District Court of Appeal.

28 Thereafter, the parties continued to participate in

1 voluntary mediation discussions with another judge of this court.  
2 Those efforts having come to naught, the adversary proceeding is  
3 now ripe for decision.

4  
5 Jurisdiction

6 Jurisdiction is founded on 28 U.S.C. § 1334(b). This is a  
7 core proceeding that a Bankruptcy Judge may hear and determine.  
8 28 U.S.C. § 157(b)(2)(I). To the extent it may ever be determined  
9 not to be a core proceeding, the parties are nevertheless agreed  
10 it may be heard and determined by a bankruptcy judge.

11  
12 Record

13 As noted the JAMS arbitration award comprising 88 single-  
14 spaced pages bears the indicia of a conventional, fully-litigated  
15 lawsuit in a bench trial in which the arbitrator applied basic  
16 California law with explanations for each ruling.

17 This Court has carefully reviewed the entire award and notes  
18 that it stands as admirable and persuasive judicial craftsmanship  
19 by a seasoned jurist performing in the same fashion as a trial  
20 judge in a bench trial.

21 The arbitration satisfied all aspects of judicial-like  
22 adjudicatory procedure as prescribed by JAMS rules. The JAMS  
23 comprehensive arbitration rules were applied. Parties could  
24 subpoena witnesses and present documentary evidence. Witnesses  
25 testified under oath before an impartial arbitrator regarding a  
26 single set of facts. The arbitrator adjudicated the dispute in a  
27 detailed reasoned decision.

28 The JAMS comprehensive arbitration rules are consistent with

1 the Restatement(Second) of Judgments, §§ 83(2) & 84(3)(b) (1982).

2 As described by the JAMS arbitrator,

3 this was a detailed, convoluted, and hard-fought matter. It  
4 involved claims of several million dollars and a battle for  
5 control of a corporation and a solar power plant in India.  
6 The underlying events spanned several years, and their  
7 recounting involved witnesses from the U.S., India, and  
8 Spain.

9 Order on Attorneys Fees, at 7-8.

10 The Plaintiffs have Proposed Findings of Fact and  
11 Conclusions of Law (Dkt. 200), which this Court has carefully  
12 reviewed in conjunction with the arbitration record and concludes  
13 that it is accurate.

14 Subject to the comments set forth herein, this Court ADOPTS  
15 the Plaintiffs' Proposed Findings of Fact and Conclusions of Law  
16 as its own and incorporates them in this decision.

### 17 Analysis

18 The five counts in this adversary proceeding, two of which  
19 are subject to issue preclusion, will be addressed in reverse  
20 order.

### 21 I

#### 22 Declaratory Judgment Dispute Moot

23 The Count Four request for a Declaratory Judgment that Deol  
24 must obey the rulings of the JAMS arbitrator has been rendered  
25 moot by the subsequent entry of a judgment that is now final in  
26 all respects under applicable nonbankruptcy law.

27 The Declaratory Judgment court was pled when the JAMS  
28 arbitration was in an interlocutory status before there was a  
Final Award.

1 During the pendency of this adversary proceeding: a Final  
2 Award was entered; the Final Award was confirmed by a California  
3 Superior Court in a manner that elevated the Final Award to the  
4 status of a civil judgment; a California Court of Appeal modified  
5 the monetary aspect of the Final Award and affirmed the Superior  
6 Court in all other respects; and the California Supreme Court  
7 denied a Petition for Review.

8 Accordingly, the JAMS arbitration award has been elevated to  
9 the status of a judgment that after full appellate review is now  
10 final and enforceable in all respects.

11 It being beyond cavil that Deol is bound to obey the final  
12 judgment, the request for Declaratory Judgment in the Complaint  
13 has been overtaken by events and is now MOOT.

14  
15 II

16 Issue Preclusion

17 The Complaint alleged three counts of exception to discharge  
18 under 11 U.S.C. § 523(a): Actual Fraud, § 523(a)(2); Defalcation  
19 in Fiduciary Capacity, § 523(a)(4); Embezzlement and Larceny,  
20 § 523(a)(4).

21 All three counts are eligible for application of the  
22 discretionary doctrine of issue preclusion under California law.

23 Since the confirmation of the JAMS arbitration award has the  
24 status of a judgment, federal courts must, as a matter of full  
25 faith and credit, be afforded the same preclusive consequences as  
26 would be afforded in California courts. Caldeira v. County of  
27 Kauai, 866 F.2d 1175, 1177-78 (9th Cir. 1989); Khaligh v. Hadaegh  
28 (In re Khaligh), 338 B.R. 817 (9th Cir. BAP 2006).



1 The basic features of California issue preclusion law were  
2 restated by the California Supreme Court in Lucido v. Superior  
3 Ct., 51 Cal.3d 335, 341-43 (1990). An additional qualification  
4 regarding arbitration was introduced by the state Supreme Court's  
5 decision in Vandenberg v. Superior Ct., 21 Cal.4th 815, 824  
6 (1999). See Khaligh, 338 B.R. at 824.

7 Six basic elements must be satisfied before a court may  
8 exercise its discretion to apply issue preclusion, five of which  
9 are "threshold" requirements: (1) identical issue; (2) actually  
10 litigated in the former proceeding; (3) necessarily decided in  
11 the former proceeding; (4) former decision final and on the  
12 merits; and (5) party against whom preclusion sought either the  
13 same, or in privity with, party in former proceeding.

14 The sixth California element is a mandatory "additional"  
15 inquiry into whether imposition of issue preclusion would be fair  
16 and consistent with sound public policy. Lucido, 51 Cal.3d at  
17 341-43; Khaligh, 338 B.R. at 824. The relevant public policies  
18 include preserving integrity of judicial system, of judicial  
19 economy, protection of litigants from harassment by vexatious  
20 litigation. Lucido, 51 Cal.3d at 341-43; Khaligh, 338 B.R. at 824  
21 n.2.

22 For arbitrations, the California Supreme Court sharpened the  
23 point on the pencil in Vandenberg: "we adopt, for California  
24 purposes, that rule that a private arbitration award cannot have  
25 nonmutual collateral estoppel [i.e. issue preclusive] effect  
26 unless the arbitral parties so agree." Vandenberg, 21 Cal.4th at  
27 836-37 (emphasis supplied).

28 The Supreme Court explained, whether any arbitration is

1 "fair and consistent with public policy in a particular case  
2 depends in part upon the character of the forum that first  
3 decided the issue later sought to be foreclosed." Courts consider  
4 the "judicial nature of the prior forum, i.e. its legal  
5 formality, the scope of its jurisdiction, and its procedural  
6 safeguards, particularly including the opportunity for judicial  
7 review of adverse rulings." Vandenberg, 21 Cal.4th at 829.

8 In that connection, California courts apply the same  
9 standards used to determine whether an administrative proceeding  
10 should have issue preclusive effect. See Restatement(Second) of  
11 Judgments, §§ 83(2) & 84(3)(b) (1982); Vandenberg, 21 Cal.4th at  
12 829 (citing administrative proceedings); Givens v. CBS  
13 Broadcasting, Inc., 291 F.3d 1173, 1178 (9th Cir. 2002)  
14 (California law).

15 As noted, the JAMS comprehensive arbitration rules are  
16 consistent with the standard of Restatement(Second) of Judgments,  
17 §§ 83(2) & 84(3)(b).

18 Since the present case is not an instance of nonmutual issue  
19 preclusion, the Vandenberg qualification does not apply to this  
20 confirmed JAMS arbitration.

21  
22 A

23 Nondischargeable "Actual Fraud" under § 523(a)(2) denotes  
24 any fraud that involves moral turpitude or intentional wrong,  
25 including deception and trickery that is done with wrongful  
26 intent. Thus, it includes fraudulent conveyance schemes and  
27 actions that can be effected without false representation, such  
28 as by acts of concealment. Husky Int'l Electronics, Inc. v.

1 Ritz, 136 S.Ct. 1581, 1586-87 (2016); DZ Bank AG Deutsche Zentral-  
2 Genossenschaft Bank v. Meyer, 869 F.3d 839, 842 (9th Cir. 2017).

3 The record establishes that Deol wrongfully seized the  
4 property of Econergy, made unauthorized payments and  
5 distributions all without notice to Goel.

6 This conduct was deceptive.

7 Deol engaged in multiple affirmative acts to conceal his  
8 unauthorized payments and distributions.

9 Deol filed false tax returns reflecting he was sole  
10 shareholder of Econergy.

11 Deol transferred Econergy funds to his own account.

12 Deol refused to provide information to Goel and GFV  
13 regarding his actions and refused to provide information.

14 These actions demonstrate that Deol knew that what he was  
15 doing was wrongful.

16 These same actions establish intention by Deol to deceive  
17 and to defraud.

18 According to the arbitrator:

19 "Deol summarily fired Econergy's accountant, Vijay Goel,  
20 C.A., in May of 2013, and took the corporation's accounting  
21 work to his own accountant, Neelkant Gargya of Sanjay Arora,  
22 C.A. However, in doing so, he did not tell Gargya about GFV  
23 being a co-director and a 49% owner of the corporation, or  
24 of Goel's loan of nearly \$1M to Econergy. Rather, Deol told  
Gargya that he was the sole shareholder. As such, Gargya  
filed an Indian 2012 tax return (for the fiscal year ending  
March 31, 2012) that made no mention of Goel or GFV. Gargya  
testified in his deposition that Deol never told him of the  
existence of Goel or GFV or the loan."

25 Further Partial Final Award at 23-24.

26 Deol's concealment of his activities lulled the Goel parties  
27 into proceeding on the assumption that all was well. Their  
28 reliance was justifiable reliance within the meaning of that

1 concept.

2 Damages, measured by the JAMS arbitration award were  
3 incurred in as a result of Deol's fraud.

4 As the JAMS arbitrator noted regarding Deol's secret  
5 withdrawals, he "considers Deol's conduct with regard to these  
6 distributions as primarily tortious." Hence, he concluded Civil  
7 Code 3288 applied to permit an award of interest and cited  
8 Nordahl v. Franzalla, 48 Cal. App. 3d 657, 665 (1975): "when, by  
9 virtue of fraud or breach of fiduciary duty of the defendant  
10 plaintiff has been deprived of the use of his money or property  
11 and is obligated to resort to litigation to recover it, the  
12 inclusion of interest in the award is necessary in order to make  
13 the plaintiff whole." Order on Attorneys' Fees at 11-12.

14 In short, this Court exercises its discretion to impose  
15 issue preclusion against Deol on the issue of Actual Fraud under  
16 § 523(a)(2).

17  
18 B

19 Nondischargeable Defalcation while Acting in Fiduciary  
20 Capacity under § 523(a)(4) was also alleged in the Complaint.

21 The JAMS arbitrator ruled that Deol engaged in actions that  
22 violated his fiduciary duties to Goel and to Econergy:

23 Subsequent to his takeover, and except when challenged  
24 by Goel's attorneys or ordered by the undersigned  
25 [arbitrator], Deol appears to have continued to treat  
26 Econergy as a solely owned business and his personal funding  
27 source" and Deol "has moved Econergy funds to other bank  
28 accounts within his exclusive control, both in India and the  
U.S., and in the past has transferred Econergy's money to  
one or more of his other solar ventures.

Further Partial Final Award at 48.

Similarly,

1 the amount Deol took out of Econergy's Indian bank accounts  
2 and out of repatriated funds was clearly known to him; he  
3 was the one making the withdrawals. He also knew that those  
4 withdrawals were done without the co-owner's involvement or  
consent. Deol also knew that GFV was a 49% owner of  
Econergy, and entitled to 49% of any distributions made by  
the corporation to its shareholders.

5 Order on Attorneys' Fees at 11.

6 This constitutes Defalcation while Acting in Fiduciary  
7 Capacity within the meaning of § 523(a)(4).

8 In short, this Court exercises its discretion to impose  
9 issue preclusion against Deol on the issue of Defalcation While  
10 Acting in Fiduciary Capacity under § 523(a)(4).

11  
12 C

13 Nondischargeable Embezzlement or Larceny under § 523(a)(4)  
14 is also alleged in the Complaint.

15 The JAMS arbitrator ruled that

16 Subsequent to his takeover, and except when challenged by  
17 Goel's attorneys or ordered by the undersigned Deol appears  
18 to have continued to treat Econergy as a solely owned  
19 business and his personal funding source" and Deol "has  
20 moved Econergy funds to other bank accounts within his  
exclusive control, both in India and the U.S., and in the  
past has transferred Econergy's money to one or more of his  
other solar ventures.

21 Further Partial Final Award at 48.

22 Similarly,

23 the amount Deol took out of Econergy's Indian bank accounts  
24 and out of repatriated funds was clearly known to him; he  
25 was the one making the withdrawals. He also knew that those  
26 withdrawals were done without the co-owner's involvement or  
consent. Deol also knew that GFV was a 49% owner of  
Econergy, and entitled to 49% of any distributions made by  
the corporation to its shareholders.

27 Order on Attorneys Fees at 11.

28 This adds up to Embezzlement or Larceny. Deol lawfully had  
control over Econergy funds and misappropriated them to his

1 personal use in violation of the rights of Econergy.

2 In short, this Court exercises its discretion to impose  
3 issue preclusion against Deol on the issue of Embezzlement or  
4 Larceny under § 523(a)(4).

6 III

7 Nondischargeable Willful and Malicious Injury under  
8 § 523(a)(6) was added to the Complaint as a fourth count at the  
9 close of the Plaintiffs' case pursuant to Civil Rule 15(b)(2) on  
10 the basis that the issue was tried by implied consent. Fed. R.  
11 Civ. P. 15(b)(2), incorporated by Fed. R. Bankr. P. 7015.

12 The evidence of Deol's willfulness and malice consists  
13 primarily of his contemptuous defiance of injunctive relief  
14 ordered by the arbitrator.

15 As set forth in the Further Partial Final Award of April 30,  
16 2018:

17 The June 21, 2017, Partial Final Award ordered Deol to  
18 perform on the personal guarantee he had given to Goel as  
19 part of the Loan Agreement. Although Deol was already in  
20 default on this guarantee by the time of the June 21, 2017,  
21 Partial Final Award, that Award gave him an additional  
22 thirty days to perform on his guarantee.

23 Deol, however, refused to make the monetary payment,  
24 and thus the undersigned ordered Deol to turn over to Goel  
25 the property he had pledged as part of that guarantee (his  
26 shares in Econergy and his land underlying the Econergy  
27 solar farm).

28 Deol has not complied with the August 16, 2017, orders  
and has also pursued litigation in India, on behalf of both  
Econergy and himself, seeking to relitigate the matters  
arbitrated and ruled upon in this proceeding.

As a result, the undersigned has issued subsequent and  
more specific orders requiring Deol to comply with his  
obligations in this matter (including turning over to Goel  
the operations of the solar plant and the land thereunder),  
and to refrain from attempting to collaterally attack the  
rulings herein by way of legal action in India.

As of the writing of this Further Partial Final Award,  
Deol has not fully complied with the above-described orders.  
Enforcement through the courts appears needed.

1 Further Partial Final Award at 65.

2 Deol's course of contemptuous disdain of the arbitration  
3 award continued once he commenced his bankruptcy case.

4 On multiple occasions, evidence was presented in this  
5 Bankruptcy Court that Deol had caused surrogates in India to  
6 pursue civil and criminal litigation in the nature of collateral  
7 attacks on the arbitration award.

8 Deol's course of conduct before and after the filing of this  
9 case was "willful" for purposes of § 523(a)(6) and inflicted  
10 "deliberate or intentional injury" in the form of inflicting  
11 additional expense on Goel and undermining respect for the  
12 judicial system by way of his collateral attacks. Kawaauhau v.  
13 Geiger, 523 U.S. 57, 61 (1998).

14 This Court finds as fact that Deol had a subjective intent  
15 to inflict the injury. Deol knew or should have known that the  
16 injury was substantially certain to occur as a result of his  
17 strategy of collateral attack in India. Ormsby v. First American  
18 (In re Ormsby), 591 F.3d 1199, 1207 (9th Cir. 2010); Petralia v.  
19 Jercich (In re Jercich), 238 F.3d 1202, 1208 (9th Cir. 2001).

20 This Court finds as fact and law that Deol's conduct  
21 constituted "malicious injury." His acts were wrongful, done  
22 intentionally, necessarily caused injury, and were done without  
23 just cause or excuse. Carillo v. Su (In re Su), 290 F.3d 1140,  
24 1146-47; Jercich, 238 F.3d at 1209.

25 Intentional torts fall within the ambit of § 523(a)(6). The  
26 JAMS arbitrator noted, "The undersigned considers Deol's conduct  
27 with regard to these distributions as primarily tortious." Order  
28 on Attorneys' Fees at 11. The aggressive foreign collateral

1 attack strategy being pursued by Deol was essentially tortious,  
2 as well as contemptuous. Lockerby v. Sierra, 535 F.3d 1038 (9th  
3 Cir. 2008).

4 It is also relevant that the public policy considerations  
5 entailed in California's mandatory "additional" considerations  
6 regarding whether imposing issue preclusion would be fair and  
7 consistent with sound public policy - i.e., preserving integrity  
8 of judicial system, of judicial economy, protection of litigants  
9 from harassment by vexatious litigation - all apply to condemn  
10 Deol's strategy of resistance and collateral attack in India.

11 Actions that offend the integrity of the judicial system,  
12 that offend judicial economy, and that constitute harassment by  
13 vexatious litigation may, as here, qualify as "willful and  
14 malicious" pursuant to § 523(a)(6). Deol is culpable on all three  
15 counts.

16 Hence, as an adequate, independent basis for a judgment of  
17 nondischargeability, Deol's debts to Goel and GFV are excepted  
18 from discharge pursuant to § 523(a)(6).

#### 19 20 Conclusion

21 The count in the Complaint seeking declaratory judgment will  
22 be DISMISSED AS MOOT.

23 Judgment will be entered on all other counts determining the  
24 debts Defendant Jaspal Deol to Plaintiffs Prabhakar Goel and Goel  
25 Family Ventures I LP determined in JAMS Arbitration Case No.  
26 1110016365 are excepted from discharge pursuant to adequate,  
27 independent theories of: 11 U.S.C. § 523(a)(2)(A) Actual fraud;  
28 11 U.S.C. § 523(a)(4) Fraud or Defalcation While Acting in




1 Fiduciary Capacity; 11 U.S.C. § 523(a)(4) Embezzlement or  
2 Larceny; 11 U.S.C. § 523(a)(6) Willful and Malicious Injury by  
3 the Debtor to Another Entity or to the Property of Another  
4 Entity.

5 This Memorandum contains findings of fact and conclusions of  
6 law.

7 An appropriate Judgment shall be entered in a separate  
8 document.

9  
10 **Dated: October 16, 2024**

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15 United States Bankruptcy Judge  
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